

United States Bankruptcy Court

Northern

District of

Illinois Eastern Division

In re P3 Foods LLC

Case No. 16-320-21

Debtor

Chapter 11

**PERIODIC REPORT REGARDING VALUE, OPERATIONS AND PROFITABILITY OF
ENTITIES IN WHICH THE ESTATE OF [NAME OF DEBTOR]
HOLDS A SUBSTANTIAL OR CONTROLLING INTEREST**

This is the report as of Sept 2017 on the value, operations and profitability of those entities in which the estate holds a substantial or controlling interest, as required by Bankruptcy Rule 2015.3. The estate of [Name of Debtor] holds a substantial or controlling interest in the following entities:

Name of Entity	Interest of the Estate	Tab #
<u>P3 Foods</u>	<u>P3 Foods</u>	

This periodic report (the "Periodic Report") contains separate reports ("Entity Reports") on the value, operations, and profitability of each entity listed above.

Each Entity Report shall consist of three exhibits. Exhibit A contains a valuation estimate for the entity as of a date not more than two years prior to the date of this report. It also contains a description of the valuation method used. Exhibit B contains a balance sheet, a statement of income (loss), a statement of cash flows, and a statement of changes in shareholders' or partners' equity (deficit) for the period covered by the Entity Report, along with summarized footnotes. Exhibit C contains a description of the entity's business operations.

THIS REPORT MUST BE SIGNED BY A REPRESENTATIVE OF THE TRUSTEE OR DEBTOR IN POSSESSION.

The undersigned, having reviewed the above listing of entities in which the estate of [Debtor] holds a substantial or controlling interest, and being familiar with the Debtor's financial affairs,

verifies under the penalty of perjury that the listing is complete, accurate and truthful to the best of his/her knowledge.

Date:

10/19/2017

Signature of Authorized Individual

Anthony Pendolino

Name of Authorized Individual

CEO, P3 Foods LLC

Title of Authorized Individual

[If the Debtor is an individual or in a joint case]

Signature(s) of Debtor(s) (Individual/Joint)

Signature of Debtor

Signature of Joint Debtor

U.S.C. Official Form 25C (12-08)

UNITED STATES BANKRUPTCY COURT

In re

P3 Foods LLC

Debtor

Case No.

16320-21

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month

Sept. 2017

Date filed:

October 6th 2016

Line of Business

Burger King Franchise

NAISC Code

122513

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:

Original Signature of Responsible Party

Anthony Pendolino, CEO, P3 Foods LLC

Printed Name of Responsible Party

Questionnaire: All questions to be answered on behalf of the debtor.

- | | Yes | No |
|---|-------------------------------------|-------------------------------------|
| 1. IS THE BUSINESS STILL OPERATING? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. DID YOU PAY YOUR EMPLOYEES ON TIME? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

B 25C (Official Form 25C) (12/08)

14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH? ☐ ☒
15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH? ☐ ☒
16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH? ☐ ☒
17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH? ☐ ☒
18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY? ☐ ☐

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS? ☐ ☐

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT. *\$5661.48 Minnesota Dept of Revenue Taxes - Resolution in process*

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL INCOME \$ *1270260*

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month

\$ *12600*

Cash on Hand at End of Month

\$ *12600*

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU

TOTAL \$ *454851*

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL EXPENSES \$ *1116440*

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH (TOTAL FROM EXHIBIT B)

\$ *1270260*

EXPENSES FOR THE MONTH (TOTAL FROM EXHIBIT C)

\$ *1116440*

(Subtract Line C from Line B)

CASH PROFIT FOR THE MONTH

\$ *153820*

B 25C (Official Form 25C) (12/08)

Page 3

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

(Exhibit D)

TOTAL PAYABLES \$ 150,000 Trade payables.

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

(Exhibit E)

TOTAL RECEIVABLES \$ 0

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?

NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?

251
220

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ 0
\$ 58,731.24
\$ 0
\$ 0

B 25C (Official Form 25C) (12/08)

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$	\$	\$
EXPENSES	\$	\$	\$
CASH PROFIT	\$	\$	\$

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:

\$

TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:

\$

TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:

\$

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

P3 Foods, LLC

Debtor in Possession

Consolidated and Individual Store Income Statement Cash Basis

September 1, September 30, 2017
(See Notes to Income Statement)

(Decreases to income statement)

[illegible]

Actual 2017 Bank Statements obtained from US Bank.

Notes to Balance Sheet
This Balance Sheet has been adjusted to the Cash Basis method of Accounting

Desc Main
soon as the court order was signed on October 8, 2016 employing Aldridge Chaseswater, LLC, Joan deSouza Frank Phelps as accounting and business consultants, the added task of reconstructing the formal books accounts began to emerge. Starting September 22, 2016 the task of reconstructing the books began prior to the court order by focusing on balances owed to all creditors, making sure payroll for +250 employees was properly taken care of including making sure all payroll taxes were all current, sanitation measures were all current, sanitation measures were properly carried out, and in compliance with applicable laws, studying an efficient electronic accounting reporting system to be installed, a necessity to protect the financial investment made by all. Since date of filing on October 6, 2016 the process has been accelerated.

13:34:57
Please note that no reliable historical books of accounts exist and therefore beginning October 6, 2016 and continuing forward are being developed and thus requiring further amendments to presented financial statements may occur from time to time as further information unfolds.

10/25/17
Current Assets
Peterson Hand as shown is kept at each store in a secured manner under control of each store manager and signed off daily as counted each evening.

Entered 10/25/17
US Bank as shown has been verified with US Bank demonstrated by a paper trail bank statement and transaction journal prepared independently by US Bank and signed off by a banking official.

10/25/17
Inventory is not shown but rather expensed off to each store because there is very little shelf life assigned to either perishable food and paper items.

Filed 10/25/17
Lease Assets , Leasehold Improvements and Franchise Fee have not been depreciated or amortized at this point in time until such time as an inventory can be concluded disclosing purchase and a detailed list of said assets,

78
Other Assets
The amount due from Peterson has not been estimated until investigation is completed determining the amount to be recovered

Doc 79
Liabilities
All creditors' amounts due were taken from court records and/or company records and will be amended from time to time as new information surfaces.

2021
Capital
Because no reliable historical records are available, the amount so stated will be amended once new data can be verified.

Case 16-33202-1
Cash in Bank
There is a cash rebate received from Restaurant Services, Inc in the amount of \$35,474 being held in reserve as well as a coke rebate in the amount of \$65,417 that has not been deposited into the bank accounts as of September 30, 2017.

P3 Foods, LLC
Balance Sheet
(Debtor in Possession)
September 30, 2017
(See Notes to Balance Sheet)

Assets		Liabilities and Capital
Current Assets		Current Liabilities
Cash on Hand		Accounts/Notes Payable-Pre Filing
Store 139	\$ 1,400	
Store 2423	\$ 1,400	
Store 2794	\$ 1,400	
Store 2920	\$ 1,400	
Store 3519	\$ 1,400	
Store 3970	\$ 1,400	
Store 4006	\$ 1,400	
Store 4669	\$ 1,400	
Store 13662	\$ 1,400	
Total Cash on Hand	\$ 12,600	
Cash Reserve (See Notes)	\$ 100,891	
Cash in Bank		
Main	\$2,231	
Store 139	\$ 65,420	
Store 2423	\$ 32,017	
Store 2794	\$ 21,879	
Store 2920	\$ 34,760	
Store 3519	\$ 56,605	
Store 3970	\$ 58,238	
Store 4006	\$ 23,866	
Store 4669	\$ 23,867	
Store 13662	\$ 22,477	
Total Cash in Bank	\$ 341,360	
Total Current Assets	\$ 454,851	Total Current Liabilities
Fixed Assets		
Furniture, Fixtures & Equipment	\$ 1,047,572	
Auto	\$ 22,000	
Total Fixed Assets	\$ 1,069,572	
Leasehold Improvements	\$ 322,473	
Franchise Fee	\$ 25,000	Capital
Total Assets	\$ 1,846,896	Total Liabilities & Capital
		\$ (624,126)
		\$ 1,846,896